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MEMORANDUM

TO: Commission Members, DDSN Staff, Providers and Advocates
FROM: Beverly A. H. Buscemi, Ph.D.
State Director
Beverly A. H. Buscemi Ph.D.
RE: DDSN Budget Update
DATE: March 26, 2010

Last week the House of Representatives spent four very long days debating the state budget for FY 2010-2011. The budget they adopted for DDSN is very good in many ways.

The House approved two amendments which together restored funding to current service levels maintaining essential services and, in one service area, went even further. Proviso 90.18, Health and Human Services funding, appropriates approximately \$51.8 million to DDSN. This funding accomplishes three things. First, it appropriates the amount of matchable state dollars DDSN must have to maintain ARRA compliance. Second, it continues essential services to children and adults in every service area and every disability group served by the agency. Third, \$1.25 million is earmarked to restore Early Intervention Services to At-Risk 3-5 year old children that were cut last December.

The second amendment adopted added a Part IV Enhanced Federal Medical Assistance Percentage. This Part IV appropriates \$173.5 million to many state agencies including DDSN in anticipation of passage of federal legislation extending the American Recovery and Reinvestment Act's (ARRA) enhanced FMAP for two additional quarters of next fiscal year. Currently, the enhanced FMAP is to end December 31, 2010. Congress may extend it to June 30, 2011 *but this legislation has not passed yet*. If it does, the new Part IV in the SC House budget version appropriates \$9 million to DDSN to maintain existing service levels being provided to DDSN consumers and families today.

All of the funding in these two areas, Proviso 90.18 and Part IV, are very important but it is one-time, non-recurring funding that will have to be spent on on going, recurring services. Also, as part of the budget process, DDSN's recurring base of state funds was reduced by \$42.3 million, an additional 28 percent. Please see the attached chart.

As I have said many times before, this is very good news but it is not a permanent fix. The outlook for next year is not any better. However, we are grateful for the House's help, it does allow many vital services to continue and it does buy us time. We appreciate the strong support shown by House members all across the state, working together to benefit people with disabilities.

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